Technical Standards and Safety Authority
2005/2006 Annual Report

Our Place in Safety

2007-03974/

Technical Standards and Safety Authority Corporate Profile

Technical Standards and Safety Authority (TSSA) is an organization dedicated to increasing public safety in the home, workplace and at recreational facilities. It was created in 1996 as a not-for-profit, self-funded delegated administrative authority to administer and enforce public safety laws in Ontario in designated industry sectors: boilers and pressure vessels, operating plants, elevating devices, fuel handling and stuffed/upholstered articles. It is also involved in the training and certification of operating engineers and technicians. In addition, TSSA has the ability to engage in discretionary services as long as it does not detract from or conflict with its delegated responsibilities.

The corporation's range of safety services includes public education and consumer information, certification, licensing and registration, engineering design review, inspections, investigations, safety management consultation, and enforcement and prosecution activities. TSSA employs in excess of 330 staff, approximately 70 percent of which work in operations.

Working with partners in industry, government, advisory councils and the public, TSSA strives for zero serious injuries and fatalities in its regulated sectors. Through its commitment to creating a work environment that is conducive to high morale and performance for its employees, and service excellence for its customers, TSSA is moving towards achieving its vision of becoming the world leader in public safety services.

TSSA has a wholly owned subsidiary, TSSA Services Inc., which was incorporated January 9, 2003 under the laws of the State of Georgia, as a U.S. Domestic Profit Corporation. The subsidiary had no operations in the current period.

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On The Cover
Ima Kalos, Communications Advisor, Public Education
Denis Lapierre, Inspector, Elevating and Amusement Devices Safety Program

Technical Standards and Safety Authority

TSSA invites you to 'our place in safety'. It is a place of vision that compels us toward the highest levels of safety. It is about listening and learning, about attitude and results but, above all, about ensuring a place of safety for all. And it is a place of potential, aiming to be the world leader in public safety services. Welcome to the evolution of TSSA and our place in safety.

Fiscal Year 2005/2006 Performance Highlights

Over the course of fiscal year 2005/2006, TSSA completed more than twenty specific safety improvement initiatives and several strategic priorities. Notable examples include:

- the evolution of TSSA's risk-informed decision-making to journey toward zero serious injuries and fatalities through a more predictive, proactive approach;
- the completion of pilot risk assessment projects for Fuels and Ski Lift Safety Programs providing a framework for risk indicators and quantitative measurement of TSSA's safety performance;
- the delivery of effective public education through strategic partnerships, strong presence at key events, and more targeted messaging across a broader distribution network;
- the implementation of the first phase of the Customer Contact Centre, providing improved customer service and response, with 95% of customer issues successfully resolved with first contact;
- the enhancement of the performance management system and employee opinion survey to further support a work environment conducive to high morale and performance; and
- entry onto the international marketplace through the provision of safety services for the Government of Bermuda.

A Place For Good Governance

A Message from the Chair

I have had the pleasure of serving as a member of TSSA's Board of Directors for eight years with the additional honour of serving as Chair of the Board for a year. While this exposure to TSSA's business, combined with my many years in the energy sector, makes me no stranger to the essential safety role TSSA performs, I keep being impressed by the integrity and commitment to excellence notable at every level of the organization. TSSA's strategic priorities recognize our commitment to public safety and demonstrate that this organization has established strong corporate values that guide the behaviour of its people, support its services, and assist in achieving its mandate and vision.

The role of the TSSA Board is to provide guidance, to encourage best practices and to approve the strategic direction. As an organization evolves, so too does the role of its Board. In keeping with one of TSSA's key strategic priorities – organizational effectiveness – careful consideration is given not only to the effectiveness of management but also to corporate governance. Engaging an external consultant, the Board conducts annual evaluations of its performance, its committees and individual directors. This year's external review found that TSSA's governance not only compared favourably with best practices but is particularly strong in comparison with peers in our sector.

Members of our Board have strong business and sector-relevant backgrounds, and we are fully engaged in working with TSSA's management to achieve positive safety outcomes and innovative public safety solutions. This journey cannot be successful without constructive working relations with all our stakeholders. This is why we place great emphasis on working with industry councils and the Government of Ontario. Without it, and without being able to successfully balance our regulatory responsibilities with industry needs, we could not deliver on our overarching goal – improving the safety of the people of Ontario.

We believe that through good governance, accountability and transparency we will continue to strengthen TSSA's reputation as we develop new programs, new products and new initiatives.

I am proud to be part of this important organization and excited about its role in improving public safety.

Rudy Riedl
Chair, Board of Directors

Reporting and Corporate Oversight

TSSA actively pursues a best practices approach to corporate governance and corporate disclosure. As a not-for-profit corporation, TSSA is committed to the principles of transparency and accountability in all aspects of its operations.

TSSA's Board of Directors is responsible for promoting the stewardship of the organization, including promoting sound corporate governance practices. The Board provides oversight of the organization and takes a leading role in establishing the corporation's strategic direction. The Board and senior management monitor emerging governance best practices, with a view to adopting those that would best serve to improve and enhance TSSA's governance regime.

Among its key responsibilities, the Board:

- regularly reviews with management the strategic environment, the emergence of new risks and opportunities, and the implications for TSSA's strategic direction;

- approves strategic plans that take into account TSSA's major risks and opportunities, and oversees management of those risks;

- appoints, monitors and assesses the performance of the President and Chief Executive Officer;

- charges the President and Chief Executive Officer of the corporation with the general management and direction of the business, and affairs of the corporation;

- oversees the appointment, monitoring and succession planning for senior management;

- monitors the external communications of the corporation, including public disclosures; and

- approves the fiscal plan and ensures the integrity of the corporation's reported financial performance.

In matters of corporate governance, the fiscal year 2005/2006 saw TSSA building on previous objectives, which were successfully achieved. With a new process for the selection of a Board Chair approved and in place, as well as skills assessment of directors completed, TSSA has been able to move forward with confidence and vision, appointing a new Chair and five new directors.

This year, Brown Governance Inc. (BGI) conducted an external review of corporate governance at TSSA and provided a report of findings to the Governance and Nomination Committee. "TSSA demonstrated clear strengths in Board and Committee charters, mandates, work plans and minutes," said David Brown, BGI Executive Director, "reflecting leading practices in the profession. Risk management is obviously taken seriously throughout TSSA, and this was well reflected at the Board, committee and management levels". BGI also found TSSA performance reporting clear and robust, including significant illumination of non-financial activities, outcomes and results. As a result of this review, TSSA has enhanced its corporate governance disclosure in this report, and on its website by adding statements outlining its corporate pay policy, and approach to director remuneration, reaffirming its commitment to accountability and transparency.

Striving For Excellence

A Message from the President and Chief Executive Officer

In keeping with our vision to be the world leader in public safety services, we have worked diligently over the course of the year to determine how we can enhance our role in the pursuit of positive safety outcomes. In this context, we have spent considerable time consulting directly with our customers, our employees and our other stakeholders. By listening to the views and ideas from each of these important constituencies, we have been able to refine our strategic priorities, clarify our goals and objectives, and more effectively focus our resources, both human and financial.

Last year I expressed a commitment to a work environment that is optimally conducive to high morale and performance. While we have made significant progress in this regard, this commitment continues to be a critical one for me personally. With an outstanding team of employees, energized and empowered, recognized and rewarded for exceptional performance, each of our other strategic priorities can be met and our vision will become a reality.

By identifying organizational effectiveness as one of our strategic priorities for the upcoming plan period, we believe that we can enhance service delivery while reducing costs through the implementation of positive, sustainable savings, which ultimately support customer relationship excellence. We have already made significant progress in this regard over the past year.

The real benefit of these efforts is in public safety - the mandate of our organization. In the spirit of achieving more positive safety outcomes, we will continue to enhance safety services, and deliver public education and awareness programs, as these activities benefit both the public and the industries involved. We will continue working toward zero serious injuries and fatalities wherever Ontarians live, work and play. We will also continue to listen to industry and advisory councils as well as other stakeholders to ensure that Ontario is the safest jurisdiction possible with respect to the sectors we regulate. This is the bottom line against which we measure our success as a safety management organization.

Our commitment to strategic growth has started to demonstrate the anticipated benefits through improved financial performance, newly acquired knowledge by engagement in international projects, and employee job enrichment. We are starting to reinvest the revenues generated by these initiatives in our safety services, commencing next fiscal year.

As we continue to evolve, we always welcome feedback on how effectively we are meeting our commitments and responsibilities. While we have made considerable progress over the past year, we recognize that we have many more opportunities for improvement. We look forward to another year of growth and accomplishment with your support.

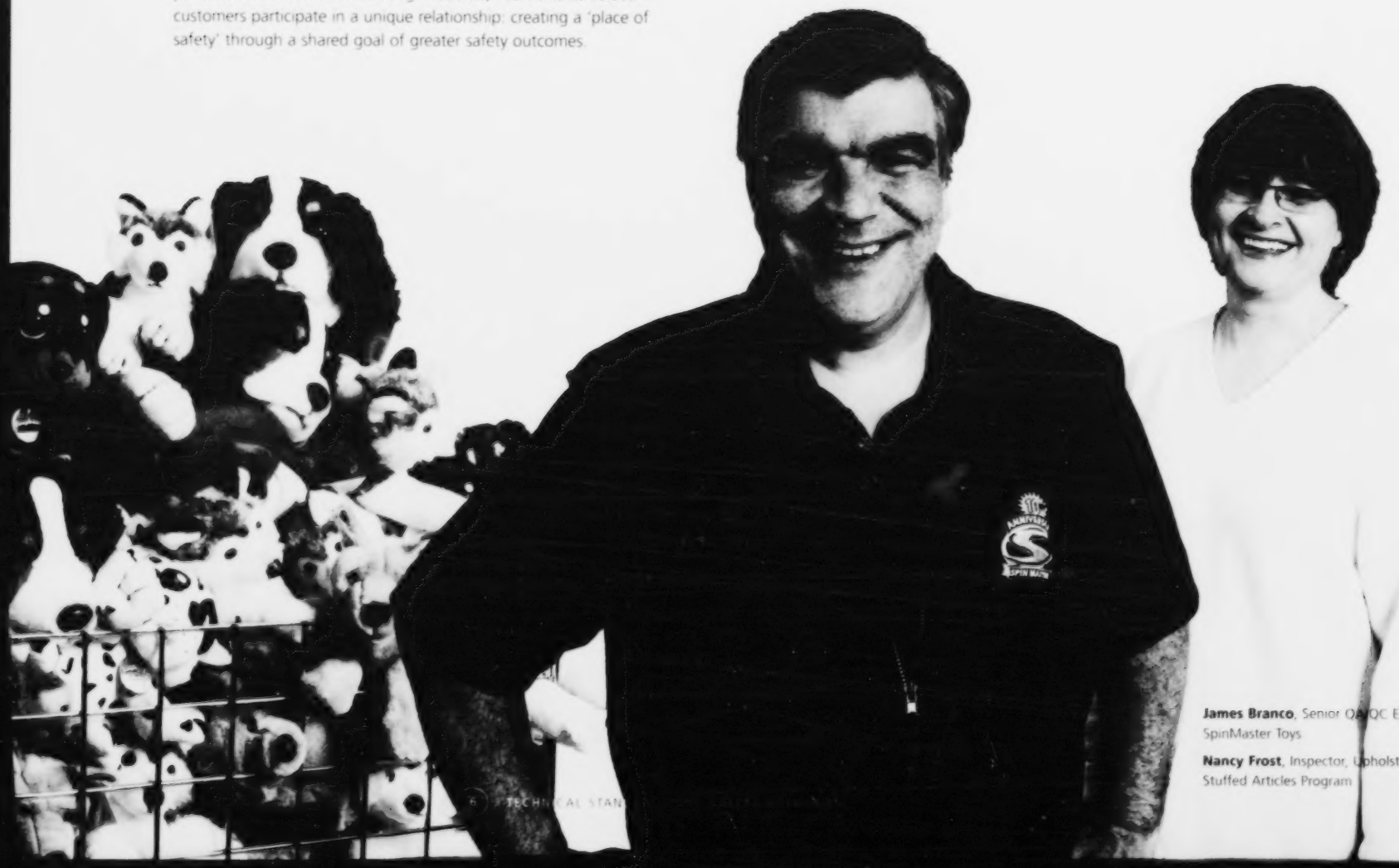
Kathy Milsom
President and Chief Executive Officer

Our Place in Safety

Our place in safety is as much a place as it is a mindset. It is more than a can-do attitude or being a progressive partner. It is a way of thinking, behaving, believing. It is understanding customer needs. It is ensuring safety with world-class commitment. It is working together toward a safer future. And it is the synergy of all that and more. That is TSSA's place in safety.

Creating a 'Place of Safety'

TSSA works with customers to achieve positive safety outcomes against a backdrop of voluntary compliance and cooperation. Developing progressive relationships with customers such as James is key to achieving the highest standards of safety through effective cooperation. Engaged in enhanced communication strategies, best practices and information sharing initiatives, TSSA and its valued customers participate in a unique relationship: creating a 'place of safety' through a shared goal of greater safety outcomes.



James Branco, Senior QA/QC Engineer, SpinMaster Toys

Nancy Frost, Inspector, Upholstered and Stuffed Articles Program

A Culture of Continuous Improvement

TSSA's success in leveraging the skills, experience and practical knowledge of employees enables the organization to deliver on its mission and mandate. TSSA teams such as Claire, Chris and Tenly work together toward enhancing service, ranging from licensing and registration to engineering design and safety inspection. Promoting a culture of continuous improvement, by setting progressive goals and meeting targets, TSSA promotes a high performing team to meet and exceed its safety objectives.

Claire Jimenez, Customer Data Associate, Licensing, Registration and Certification
Chris Milley, Mechanical Engineer, Elevating and Amusement Devices Safety Program
Tenly Rodrigues, Inspector, Elevating and Amusement Devices Safety Program

Efficient Service Delivery

Responsive and knowledgeable staff such as Ann, Maria and Devin of TSSA's Customer Contact Centre relentlessly seek quick, capable ways of addressing customer needs by providing ready answers to inquiries, typically resolving issues on first contact. TSSA further advances organizational effectiveness by conducting root-cause analysis to improve business processes, communication and service delivery, from regulatory compliance and best-practice perspectives.

Maria Johnson, Customer Service Advisor, Customer Contact Centre
Devin Rawana, Customer Service Advisor, Customer Contact Centre
Ann Brown, Team Leader, Customer Contact Centre

Effective Safety Relationships

One of TSSA's key priorities is to provide quality service to customers, a commitment that begins with understanding their needs. TSSA's keen understanding of safety risks and its strong commitment to customer relationship excellence provide customers such as Madhu of Babcock & Wilcox Canada, the world's largest manufacturer of steam-powered generators, with responsive service, supporting complex, high volume production in a safe, cost-effective environment.

Madhu Banerjee, Quality Assurance Manager, Babcock & Wilcox Canada

Iftekhar Siddiqui, Inspector, Boilers and Pressure Vessels Safety Program

A Safety-Focused Future

Strategic growth in discretionary safety services is a key factor contributing to improving positive safety outcomes and enhancing TSSA's safety model. A TSSA team, led by employees such as Brad and Kendall, delivers discretionary safety initiatives such as Environment Canada's fuels emissions testing project to fill public safety gaps beyond TSSA's regulatory mandate. Resultant revenues enable investments in a safety-focused future.

Brad Holland, Business Development Manager, Ontario

Kendall Miles, Team Leader, Fuels Safety Program

Defining Our Place In Safety

TSSA's fiscal year achievements, from year-to-year, identify accomplishments and challenges that influence strategy to ensure greater public safety for all. Achievements in 2005/2006 are no exception, carrying on TSSA's quest toward zero serious injuries and fatalities, defining TSSA's place in safety.

In terms of public safety reporting, TSSA continues to evaluate data and associated analyses to identify safety concerns and design appropriate action plans across all program areas.

This fiscal year, TSSA made notable progress in the areas of proactive communication, risk management and customer relationship excellence – all in pursuit of effective, efficient service delivery and improved public safety. With a greater understanding of public safety risk, TSSA conducted root-cause analyses of incidents, engaged in developing proactive solutions and formed risk reduction groups comprised of industry experts to address specific safety issues. TSSA additionally delivered tailored training, designed to address knowledge safety gaps, to a wide-range of industry professionals, including amusement device consultants, operating engineers, piping contractors, property managers, and welding and repair technicians.

Proactive compliance and prevention initiatives remained key motivators over the past 12 months, in keeping with TSSA's strategic and business objectives.

Partnerships continued to be an integral part of TSSA operations as improved safety outcomes are a consequence of industry, professionals, government and public working in concert. TSSA fostered safety partnerships with the Office of the Fire Marshal for seasonal safety campaigns such as *SummerSmart* and *AutumnWatch*, the Toronto Transit Commission for 'Move with the Grooves' escalator safety, the Ontario Snow Resorts Association for TSSA's *Winter-Wise*, and the Ontario Regional Chapter of Common Ground Alliance for best practices in utility infrastructure and pipeline safety. TSSA furthered partnerships with industry representatives and other stakeholders through additional activities such as the TSSA-led emergency response program to assist firefighters when responding to elevator incidents.

In terms of public safety reporting, TSSA continues to evaluate data and associated analyses to identify safety concerns and design appropriate action plans across all program areas.

Within its discretionary services, TSSA's Quality Assessed Facility Program enhanced safety through benchmarking and best practices, leading quality assessment, safety education and continual review. Safety-conscious customers such as Ford Canada, Oxford Properties, Fanshawe College and Woodbine Entertainment Group, achieved safer plants, reduced downtime, and ongoing safety updates to further mitigate risk and form the basis for cost-effective maintenance strategies.

TSSA's commitment to proactively enhancing public safety led it to introduce further improvements to service delivery. TSSA completed an extensive customer service survey to measure overall satisfaction and provide direction for continuous improvement. Numerous service enhancement initiatives were implemented, including the creation of TSSA's Customer Contact Centre. The survey results indicated that the Customer Contact Centre has led to more timely, responsive service to stakeholders, reinforcing TSSA's strategic commitment to customer relationship excellence.

In support of TSSA's strategic priority of a high performing team, additional improvements were made to corporate human resources programs, leadership capabilities and ongoing employee engagement. Key initiatives included a comprehensive review and redesign of TSSA's compensation and performance management programs. As one means to engage employees, a Human Resources Roundtable was established, with membership elected by employees across all organizational groups. Over the course of the year, the Roundtable provided valuable input on a range of human resource initiatives.

All employees engaged in creating job descriptions aligned with TSSA's strategic priorities with a clear focus on enhancing positive safety outcomes.

TSSA's balanced scorecard, found on pages 15 to 19 of this report, provides more detailed information regarding fiscal year 2005/2006 goals and corresponding performance in positive safety outcomes, customer service excellence, a high performing team, strategic growth, and financial performance. A few highlights for the various program areas follow.

Boilers and Pressure Vessels Safety Program

TSSA is responsible for regulating all pressure retaining equipment manufactured or used in Ontario, to ensure the safety of boilers, pressure vessels and piping systems.

Highlights from the fiscal year 2005/2006 include:

- strengthening public safety partnerships and communicating efforts to various industry sectors regarding the cause of incidents and best safety practices in a more timely and efficient manner;
- creating a mandatory compliance program to certify organizations and individuals involved in piping and repair;
- proactively addressing boiler and pressure vessel safety matters, such as requirements for mechanical refrigeration, and pressure components in CANDU nuclear power plants through ongoing development of code; and
- completing a strategic plan for operating plants and pressure equipment on farms, in consultation with industry, that identified safety gaps and proposed solutions.

Operating (Power) Engineering Safety Program

TSSA examines and certifies over 14,000 power plant engineers and operators to confirm their qualifications. In addition, TSSA's operating engineering inspectors conduct initial and periodic inspections at operating plants to ensure they are registered, operating safely and in compliance with safety regulations.

Highlights from the fiscal year 2005/2006 include:

- issuing over 5,800 directives related to non-compliance with safety regulations to further mitigate risk;
- developing a risk-informed inspection model to best direct resources to higher risk areas to enhance public safety;
- working with stakeholders to update regulations to improve plant and worker safety; and
- creating proactive communications such as 'How Safe Is Your Plant' to reinforce safe and effective operations.

Elevating Devices Safety Program
TSSA is responsible for regulating the safety of more than 44,000 elevating devices in Ontario. These devices include elevators, escalators, moving walks, lifts for persons with physical disabilities, passenger ropeways, construction hoists and ski lifts.

Highlights from the fiscal year 2005/2006 include:

- issuing over 47,000 directives related to non-compliance with safety regulations to further mitigate risk;
- enhancing a risk-informed inspection model to best direct resources to higher risk areas to effectively enhance public safety;
- delivering technical training sessions across the province for inspectors, engineers and industry members;
- enhancing partnerships and public education through initiatives such as TSSA's 'Look, Load & Lower' ski lift program with the Ontario Snow Resorts Association and other ski industry stakeholders to raise awareness regarding rider responsibility and safety;
- advancing the ageing ski lift safety program to replace older, hazardous lifts with new technology supporting enhanced safety features; and
- furthering public safety in Ontario through a federal contract to inspect 920 elevators not covered by provincial safety regulations, and design review and inspection of the new automated people-mover at Pearson International Airport.

Amusement Devices Safety Program
TSSA is responsible for regulating the safety of all amusement rides in Ontario. These devices include roller coasters, Ferris wheels, go-karts, inflatables and water slides. Ride operators must also be licensed and are responsible for the safe and proper set-up, maintenance and operation of all rides.

Highlights from fiscal year 2005/2006 include:

- issuing over 2,000 directives related to non-compliance with safety regulations to further mitigate risk;
- enhancing partnerships with industry, and developing best practices for the amusement industry to promote public safety;
- delivering the second annual technical seminar for engineers, inspectors and operators; and
- adopting a two-pronged education campaign aimed at users and operators, delivering targeted safety materials to special events, national fairs, magazines such as 'Today's Parent' and a Discovery Channel feature on amusement device safety.

Fuels Safety Program
TSSA provides fuel-related safety services associated with the safe transportation, storage, handling and use of hydrocarbon fuels such as gasoline, diesel, propane and natural gas. TSSA delivers programs and services that regulate the safe use of motor fuels, heating fuels and gaseous fuels for private, industrial and commercial uses in Ontario.

Highlights from the fiscal year 2005/2006 include:

- issuing over 16,000 directives related to non-compliance with safety regulations to further mitigate risk;
- continuing a risk-informed inspection model for licensed sites to best direct resources to effectively enhance public safety;
- enhancing partnerships, and best practices for the fuel industry to promote safety, including a joint effort with the Ontario Regional Chapter of Common Ground Alliance to promote 'One Call' legislation, involving establishing a single telephone number for information regarding underground infrastructure prior to excavation;

▸ implementing an equipment deficiency program to reduce incidents resulting from equipment failure, to improve the safety of residential appliances;

▸ providing fuel inspection and dispenser compliance services on behalf of Environment Canada to fill public safety gaps beyond the provincial regulatory mandate;

▸ developing further enhancements to spill management through operator training and testing programs;

▸ co-championing with key safety partners, such as the Ontario Fire Marshal, carbon monoxide awareness and other fuel-safety topics through public education awareness programs; and

▸ ongoing development of code to proactively address fuel safety matters, such as expanding pipeline integrity requirements, liquid fuel handling revisions, and new editions of the fuel and propane code.

Upholstered and Stuffed Articles Safety Program

TSSA protects the public from potential hazards related to the manufacture of upholstered and stuffed articles by ensuring that manufacturers, renovators and home hobbyists use only clean, new filling materials in these articles. TSSA also ensures that these items are properly labeled and that filling materials are disclosed to the public.

Highlights of the fiscal year 2005/2006 include:

▸ issuing over 6,700 directives related to non-compliance with safety regulations to further mitigate risk;

▸ providing more timely and responsive safety and regulatory information through the introduction of a dedicated customer service representative;

▸ delivering customer awareness presentations to various stakeholders regarding changing market trends; and

▸ enhancing cooperation with Canada Customs to avoid the importation of unsafe materials, including seizing 10,000 imported rusty coils and edge-guards prior to reaching Ontario mattress manufacturers.

TSSA's achievements in 2005/2006 demonstrate TSSA's ongoing commitment to industry, government and the public, of ensuring greater safety for all. TSSA puts public safety first – that is our place in safety.

For further information on TSSA's safety initiatives, please visit **www.tssa.org**.

Performance Reporting: Balanced Scorecard for Fiscal Year 2005/2006

The following balanced scorecard provides the fiscal year end results of the Technical Standards and Safety Authority's performance against fiscal year 2005/2006 goals.

2005/2006 OBJECTIVES	PERFORMANCE TARGETS	PERFORMANCE RESULTS
Improve safety outcomes on TSSA's journey to zero serious incidents and fatalities.	Reduce risk levels across each program with regard to prevention, education and accidents/injuries through one major initiative per program.	More than twenty specific safety improvement initiatives have been completed over the year including all programs. Notable examples include: ▸ the introduction of the structured quality assurance process for each program area; ▸ commencing the evolution of TSSA's approach to risk management to enable it to effectively journey toward the goal of zero serious injuries and fatalities by a more predictive (avoid incidents) rather than reactive (learn from incidents after they happen) approach; ▸ enhancing public education efforts through many channels including the effective use of partnerships, such as with the Ontario Fire Marshal's Office, presence at key events such as the CNE and ski resorts, and broader and more targeted circulation of communications materials such as the *AutumnWatch* and *SummerSmart* brochures, for example through LCBO outlets.
	Relevant and practical performance and risk indicators are established including the Safety Index and a risk maturity scale.	The pilot project carried out for two sectors within the Fuels Safety Program and Ski Lift Safety Program was completed successfully. The pilot has provided a framework for establishing risk indicators through the evolution of TSSA's risk-informed decision making process. The means of quantitatively measuring TSSA's safety performance will be a significant and much anticipated outcome. This evolution will also result in the establishment of the risk maturity scale, and assessment of the level of risk maturity for each program. Implementation is progressing in accordance with the Board approved work plan.

2005/2006 OBJECTIVES	PERFORMANCE TARGETS	PERFORMANCE RESULTS
Mature safety programs and enhance risk-based processes in each program area.	Compliance strategies reviewed and updated in two sectors, and a schedule for ongoing compliance strategy reviews established.	Compliance strategies were reviewed and updated for Fuels Safety, and Boilers and Pressure Vessels Safety Programs, and a schedule of ongoing compliance strategy reviews was established.
	New or enhanced risk-based inspection models in place for three sectors.	An enhanced risk-informed inspection model in the Elevating Devices Safety Program and a new risk-informed inspection model in the Operating Engineers Safety Program have been established. Enhancements to the risk-informed inspection model in the Fuels Safety Program will be completed in the next fiscal year.
Ensure the regulatory framework is current and effective.	Schedule established and on target for timely continuous review of code adoption documents.	Schedule established and on target; however, completion is dependent upon a regulation amendment by the government.
	Two regulations reviewed and forwarded to the Ministry of Government Services (MGS) for action.	Proposed revisions to the Elevating Devices Regulation and the Certification and Training of Elevating Device Mechanics Regulation were delivered to MGS in June 2006.
Enhance the effectiveness of all participants within the safety system.	Develop and implement renewed terms of reference for all industry advisory councils and risk reduction groups.	Revised terms of reference were developed for industry advisory councils and risk reduction groups with input from and support of all advisory councils.
	Enhance council communications by implementing consistent format for documentation and distribution.	Consistent formats for all documentation were introduced.

2005/2006 OBJECTIVES	PERFORMANCE TARGETS	PERFORMANCE RESULTS
Deliver customer service excellence by understanding and responding to the needs of our customers.	Improve overall customer satisfaction score to 73.5 %, including improvements for the following high impact drivers: ▸ timeliness to 72%; ▸ head office service quality to 70%; and ▸ inspections service quality to 80%.	Customer satisfaction remained stable from previous years at 70%. The following results were achieved for high impact drivers: ▸ timeliness: 69% (increase of 1% from prior survey); ▸ head office service quality: 67% (no change from prior survey); and ▸ inspections service quality: 81% (no change from prior survey)
	Set benchmarks.	The 2006 survey sample was increased from 700 to over 1,500 to provide more detailed data across all regulated customer groups, establishing the expanded benchmarks for future surveys.
Customer Contact Centre demonstrates customer service excellence.	First contact resolution: 90% of issues resolved without call back.	95% of issues were resolved with first contact.
	Telephone service factor 65/60/12 (65% of calls answered within 60 seconds with a less than 12% abandon rate) achieved by end of the fiscal year.	Telephone service factor at year end was 58/60/12 (58% of calls answered within 60 seconds with a less than 12% abandon rate). There was a consistent overall drop in the average wait times over the course of the year, with an average wait time of 1 minute 2 seconds in the final month of the year.
Continuously improve service standard for MGS.	Establish survey methodology and set benchmark.	This target was revised. A survey of MGS was deferred to fiscal year 2006/2007 to allow for the addition of a survey of Customer Contact Centre performance.

2005/2006 OBJECTIVES	PERFORMANCE TARGETS	PERFORMANCE RESULTS
Create a work environment that is conducive to high morale and performance.	Revised performance management system is established.	A revised performance management system was established.
	Establish baseline score for new employee opinion survey.	An enhanced employee opinion survey was introduced with an overall score of 67.12%.
	Demonstrate at least a 7% improvement in raw satisfaction score from March 2004 employee opinion survey.	A change in survey methodology did not permit a direct comparison. Analysis of 22 questions that were identical or similar in nature indicated a 4.5% improvement.
Achieve low employee turnover.	Voluntary (revised from total) turnover of 5% or less for the fiscal year.	Voluntary turnover for the fiscal year was 4.82%.
Achieve occupational health and safety excellence.	Zero workplace injuries.	Eight workplace injuries were recorded. Lessons learned have been shared with all teams to raise awareness and avoid future injuries. The Workplace Health and Safety Advisor vacancy was filled and a systems-based approach is being implemented. As TSSA has consistently performed better in terms of lost-time injuries than its rate group, WSIB awarded a rebate to TSSA.
	Lost-time frequency rate is 0. Lost-time frequency is the number of lost-time injuries times 200,000, divided by the number of actual hours worked.	Two workplace injuries involved lost-time. Lost-time frequency rate at year end was 0.67.
	Baseline measurements in place for audit program.	Baseline measurements were established for the audit program, and the audit program was initiated.

2005/2006 OBJECTIVES	PERFORMANCE TARGETS	PERFORMANCE RESULTS
Address real and perceived conflicts of interest.	Implement appropriate corporate legal structure.	Target revised. The planning process established triggers for implementation. These triggers are expected to be met next fiscal year.
	Separate financials and financial reporting.	Financial record keeping was separated for the mandated and discretionary businesses. In the future, these results will be separately reported in the audited financial statements.
Ensure regulated activities reflect costs of service delivery and appropriate contingency needs.	Revenue of $40 million for regulated business, an 11% increase from fiscal year 2004/2005.	Revenue was $38.7 million or $1.4 million below target. The shortfall was primarily due a re-evaluation of the appropriateness of the planned approach to implementing a boilers and pressure vessel licensing regime based on industry input and other revenue trends.
	Fee review of Boilers and Pressure Vessels, and Operating Engineers Safety program completed.	The fee review was deferred due to reassessment of the cost allocation model for appropriateness to ensure the program's financial performance is accurately reflected.
	Timely implementation of Boilers and Pressure Vessels licensing regime.	Due to industry concern regarding the licensing regime, TSSA decided to re-evaluate the appropriateness of the planned approach.
	Unrestricted reserve for regulated business at 24.6% of operating costs.	Unrestricted reserve was 28.6%.

Fiscal Year 2006/2007 Outlook

TSSA's four strategic priorities developed last fiscal year provided a solid foundation for improved safety outcomes. For this plan period TSSA has reconfirmed the four strategic priorities established in last year's plan, with one renamed priority and one newly added priority.

The strategic priorities for this plan period are:

- positive safety outcomes;
- high performing team;
- customer relationship excellence (renamed);
- organizational effectiveness (new); and
- strategic growth.

TSSA's journey toward zero serious injuries and fatalities means continuous attention to safety service improvement. To that end, TSSA will bring safety management programs to an appropriate level of risk maturity. Through core activities, TSSA will provide critical decision support information for managing public safety risks, and implement processes and audit mechanisms to ensure consistently high standards. An increase in effective communication will further raise public safety awareness and positively impact safety in Ontario.

Effective stakeholder/customer relationship management is another key contributor to improving safety outcomes. The results of customer surveys enable TSSA to establish and implement action plans to address top customer concerns in a timely, responsive, cost-effective manner.

TSSA will further enhance its organizational effectiveness by continuing to achieve positive, sustainable savings. The organization will examine key business processes, to identify both enhanced service delivery and reduce costs.

TSSA's strategic growth will effectively balance domestic growth opportunities and pursue qualified international prospects. This will enable TSSA to learn best practices in different jurisdictions, grasp emerging technologies and enrich employee experience. Delivery of discretionary business will enable investments in safety services, and knowledge management to the benefit of the regulated sector.

It is the passion and commitment of our high performing team that enables TSSA to enhance safety. TSSA will further cultivate a culture of teamwork, personal growth, employee recognition, and leadership and accountability through responsive human resources programs and ongoing employee participation. As a world leader in safety management, TSSA will lead by example, ensuring it demonstrates leadership in occupational health and safety for all employees. A positive work environment with an empowered team will enable TSSA to deliver on all its strategic priorities—and its goal of public safety.

Management's Discussion and Analysis

TSSA uses a balanced scorecard approach to set objectives, monitor and manage performance, and report outcomes aligned with its four strategic priorities and financial performance. TSSA's management is committed to disclosing financial information that fairly and appropriately demonstrates performance against strategic objectives.

Mandated Revenue

Revenue earned of $38.7 million was $2.6 million greater than the prior year and $1.4 million below current year target. The current year shortfall is attributed to:

- $0.7 million shortfall in the Boilers and Pressure Vessels Safety Program area revenue due to reconsideration of the introduction of a new licensing regime as a result of industry concerns;
- $0.2 million shortfall in market driven activity which indicates the positive effect of TSSA's public safety strategy on some revenue streams; and
- $0.5 million shortfall in TSSA initiated inspection revenue due to resource limitations; to address this shortfall, TSSA is proceeding to increase inspection staff levels in fiscal year 2006/2007.

Discretionary Revenue

The focus of effort over the fiscal year revolved around building a more robust business development function, recognizing that a strong, well targeted discretionary business will benefit both TSSA's effectiveness and ultimately, the citizens of Ontario.

The Business Development team established a strategic plan designed to source new opportunities in a considered and beneficial manner. Two core business strategies were identified. First, TSSA established the groundwork in Ontario for expansion of regulatory initiatives, as well as focused on a few, non-conflicting projects that were in line with its core mandate. Examples include the renewal of the Canadian Nuclear Safety Commission (CNSC) contract, as well as inspection of elevators, and boilers and pressure vessels in federal facilities within the province.

TECHNICAL STANDARDS AND SAFETY AUTHORITY
SUMMARY OF REVENUES

Year ended April 30, 2006, with comparative figures for 2005

($ in thousands)	2006 Actual	2006 Budget	2005 Actual
MANDATED REVENUE			
Boilers & Pressure Vessels/Operating Engineers	**10,158**	**10,515**	9,169
Elevating Devices and Amusement Devices	**13,638**	**14,148**	12,714
Upholstered & Stuffed Articles	**2,473**	**2,244**	2,199
Fuels Safety	**12,425**	**13,192**	11,995
Total Mandated Revenue	**38,694**	**40,099**	36,077
Total Discretionary Revenue	**4,714**	**4,688**	3,970
Total Revenue	**43,408**	**44,787**	40,047

The second strategy was designed to position TSSA for growth internationally, consistent with the organization's vision. A high level environmental scan evaluated market potential for safety services in more than 200 countries. Using a scoring matrix across eleven criteria a top 20 list was established which will undergo further refinement over the next fiscal year. TSSA was also successful at securing its initial international contracts.

The discretionary business revenue of $4.7 million met target. The key strategies identified above position TSSA for future profitable expansion. Initiatives have been undertaken to ensure a separation of the discretionary business from the mandated business. Changes to the accounting for the discretionary business are planned for fiscal 2006/2007, with the creation of a distinct for profit subsidiary. Management continues to ensure mandated business performance does not fund discretionary work.

Operating Expenditures

Considerable effort was made this year to identify key cost drivers for the organization and to distinguish between direct and indirect cost of operations. No changes were made to the methods of cost accounting. The organization also made a commitment to enhancing operational effectiveness and achieving positive, sustainable savings with results evident in fiscal year 2005/2006 and additional initiatives planned for the following three fiscal years. The result of this work has resulted in a three-year budget plan that contemplates no fee increases for the mandated business.

Actual expenditures of $41 million were $3.2 million below plan due to both sustainable cost savings, and strategic deferral of spending for certain initiatives as follows:

- $1.6 million less salaries and benefits attributed to less overtime, fewer new and temporary staff hires due to declining backlog of administrative work from prior years, and less actual employee benefits cost than planned;

- $0.6 million less information systems expenditures due to systems review;

- $0.5 million less customer and corporate communications expenditures due to management's deferral of planned expenditures as a result of resource limitations; and

- $0.3 million less actual sales and marketing costs due to realignment of business development activities.

Capital Expenditures

Limited capital expenditures of $0.6 million were incurred due to a postponement of both facilities and information systems initiatives to ensure alignment with strategic plan objectives and most appropriate utilization of resources. The necessary facilities work will take place in fiscal year 2006/2007. Management will continue to ensure all capital investments fully support value to stakeholders and reflect the strategic objectives of the organization, including the planned capital investment for the next three years.

Net Assets

TSSA continues to maintain a strong financial position with net assets of $15.1 million of which $11.4 million is unrestricted and $3.7 million is invested in capital assets. Major investment activity focused on short-term investments to position the organization for strategic investments in public safety and information technology initiatives over the next two years, in support of the strategic plan.

Management Responsibility for Financial Reporting

The consolidated financial statements of TSSA have been prepared by management in accordance with generally accepted accounting principles as prescribed by the Canadian Institute of Chartered Accountants.

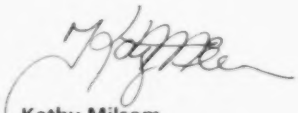
Management strives to ensure that financial and management reporting systems include appropriate controls to provide reasonable assurance that the corporation's assets are safeguarded, to facilitate the preparation of relevant, reliable and timely financial information.

Where necessary, management uses judgment to make estimates required to ensure fair and consistent presentation of this information.

The Board of Directors of TSSA is composed of 18 members, one of whom, the President and CEO, is an employee of the organization. The Board of Directors has the responsibility to review and approve the financial statements, as well as overseeing management's performance of its financial reporting responsibilities. The Board of Directors has approved the financial statements contained herein.

The auditors are responsible for auditing the financial statements and have issued a report thereon.

All other financial and operating data included in the annual report are consistent, where appropriate, with information contained in the financial statements.



Kathy Milsom
President and Chief Executive Officer

Tim Brooks
Controller, Finance

Auditors' Report

To the Members of Technical Standards and Safety Authority

We have audited the consolidated statement of financial position of Technical Standards and Safety Authority (TSSA) as at April 30, 2006 and the consolidated statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of TSSA's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of TSSA as at April 30, 2006, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Ontario Corporations Act*, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

KPMG LLP

Chartered Accountants
Toronto, Canada
May 26, 2006

Technical Standards and Safety Authority
(incorporated under the laws of Ontario)

Consolidated Statement of Financial Position

(in thousands of dollars)
As at April 30, 2006, with comparative figures for 2005

	2006	2005
ASSETS		
Current assets:		
Cash	**$ 3,570**	$ 1,051
Short-term investments (note 2)	**11,490**	8,556
Accounts receivable	**4,290**	4,145
Prepaid expenses	**1,109**	811
	20,459	14,563
Long-term investments (note 2)	**8,745**	10,293
Capital assets (note 3)	**3,645**	4,656
	$ 32,849	$ 29,512
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued liabilities	**$ 8,317**	$ 7,220
Deferred revenue	**9,452**	9,595
	17,769	16,815
Net assets:		
Invested in capital assets	**3,645**	4,656
Unrestricted	**11,435**	8,041
	15,080	12,697
Commitments and contingencies (note 4)		
	$ 32,849	$ 29,512

See accompanying notes to consolidated financial statements.

On behalf of the Board:

Rudy Riedl
Chair of the Board of Directors

Bruna Giacomazzi
Chair of the Audit, Finance and Risk Committee

Technical Standards and Safety Authority

Consolidated Statement of Operations

(in thousands of dollars)

Year ended April 30, 2006, with comparative figures for 2005

	2006	2005
Revenue	**$ 43,408**	$ 40,047
Expenses:		
Salaries, wages and benefits	**26,130**	23,581
Operating	**13,354**	12,827
Amortization	**1,541**	1,346
	41,025	37,754
Excess of revenue over expenses	**$ 2,383**	$ 2,293

Technical Standards and Safety Authority

Consolidated Statement of Changes in Net Assets

(in thousands of dollars)

Year ended April 30, 2006, with comparative figures for 2005

	Invested in capital assets (note 5)	Unrestricted	2006 Total	2005 Total
Net assets, beginning of year	**$ 4,656**	**$ 8,041**	**$ 12,697**	$ 10,404
Excess (deficiency) of revenue over expenses	**(1,557)**	**3,940**	**2,383**	2,293
Investment in capital assets	**546**	**(546)**	**–**	–
Net assets, end of year	**$ 3,645**	**$ 11,435**	**$ 15,080**	$ 12,697

See accompanying notes to consolidated financial statements.

Technical Standards and Safety Authority

Consolidated Statement of Cash Flows

(in thousands of dollars)

Year ended April 30, 2006, with comparative figures for 2005

	2006	2005
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	**$ 2,383**	$ 2,293
Items not involving cash:		
Amortization	**1,541**	1,346
Loss on disposal of capital assets	**16**	42
Change in non-cash operating working capital	**511**	3,438
	4,451	7,119
Investing activities:		
Short-term investments	**(2,934)**	(1,427)
Long-term investments	**1,548**	(2,246)
Acquisition of capital assets	**(553)**	(4,045)
Proceeds on disposal of capital assets	**7**	–
	(1,932)	(7,718)
Increase (decrease) in cash	**2,519**	(599)
Cash, beginning of year	**1,051**	1,650
Cash, end of year	**$ 3,570**	$ 1,051
Supplemental cash flow information:		
Interest received	**$ 766**	$ 645
Interest paid	**1**	8

See accompanying notes to consolidated financial statements

Technical Standards and Safety Authority
Notes to Consolidated Financial Statements

(in thousands of dollars)

Year ended April 30, 2006

The Technical Standards and Safety Authority (TSSA) is the designated administrative authority responsible for the administration of the *Technical Standards and Safety Act, 2000*, which officially became law in Ontario effective June 2001. The designation and delegation of responsibility is made under the authority of the *Safety and Consumer Statutes Administration Act, 1996* (the Act) of Ontario. TSSA's primary objective is to promote and undertake activities which enhance public safety, including training, certification, licensing, registration, audit, quality assurance, inspection, investigation, enforcement and other technical safety services. TSSA is incorporated under the *Corporations Act of Ontario* as a corporation without share capital and is a not-for-profit organization under the *Income Tax Act* (Canada).

These consolidated financial statements include the accounts of TSSA and its wholly owned subsidiary TSSA Services, Inc. TSSA Services, Inc. was incorporated on January 9, 2003 under the laws of the State of Georgia as a U.S. Domestic Profit Corporation and had no operations during the current and prior year.

1. SIGNIFICANT ACCOUNTING POLICIES:

(a) Revenue recognition:

Revenue from the provision of inspection and engineering services is recorded when services are performed. Licensing, registration and certification fees are recognized evenly over the period covered by the fee. Unearned fees are recorded as deferred revenue.

(b) Investments:

Investments are recorded at the lower of cost and market value.

1. SIGNIFICANT ACCOUNTING POLICIES (continued):

(c) Capital assets:

Purchased capital assets are recorded at cost. Leases that transfer substantially all the benefits and risks of ownership are capitalized. Replacements are expensed in the year of replacement. Amortization is provided on a straight-line basis over the estimated useful lives of the assets at the following annual rates:

Business systems	20%
Equipment	25%
Furniture and fixtures	20%
Computer software	50%
Computer hardware	33%
Leasehold improvements	Remaining term of lease

Amortization of a capital asset commences when it is brought into service.

Contributed capital assets are recorded at fair value at the date of contribution.

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated residual value. If the carrying amount of an asset exceeds its residual value, an impairment charge is recognized.

(d) Basis of accounting:

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

2. INVESTMENTS:

(a) Short-term investments consist of bankers' acceptances and bonds, with yields between 2.65% and 5.75%, maturing prior to March 8, 2007.

(b) Long-term investments consist of:

	2006 Cost	2006 Market value	2005 Cost	2005 Market value
Government bond, with an effective rate of 4.38%, maturing on September 10, 2007	$ 397	$ 400	$ 1,928	$ 1,956
Corporate bonds, with effective rates of 3.60% to 6.46%, maturing from September 10, 2007 to December 30, 2010	8,337	8,245	8,237	8,385
	8,734	8,645	10,165	10,341
Accrued interest	100	100	128	128
	$ 8,834	$ 8,745	$10,293	$10,469

3. CAPITAL ASSETS:

	Cost	Accumulated amortization	2006 Net book value	2005 Net book value
Business systems	$ 3,794	$ 2,881	$ 913	$ 1,458
Equipment	764	399	365	305
Furniture and fixtures	1,104	407	697	916
Computer software	1,395	1,382	13	64
Computer hardware	2,587	2,033	554	717
Leasehold improvements	1,305	202	1,103	1,196
	$ 10,949	$ 7,304	$ 3,645	$ 4,656

4. COMMITMENTS AND CONTINGENCIES:

(a) Operating facility:

Under the terms of its banking agreement, TSSA has available a demand operating facility of up to $750. This facility bears interest at TSSA's bank's prime rate and is secured by a general security agreement over TSSA's assets and assignment of fire and business interruption insurance. As at April 30, 2006, no amounts were drawn on the facility.

(b) Lease obligations:

TSSA leases office space, vehicles and equipment. Future minimum payments, by year and in the aggregate, under operating leases with initial or remaining terms of one year or more, consist of the following:

2007	$ 1,017
2008	1,104
2009	1,045
2010	982
2011	856
Thereafter	4,145
Total minimum lease payments	$ 9,149

(c) Litigations:

TSSA has been named as defendant in certain litigations alleging actual and punitive damages; however, it is management's belief that the ultimate outcome will not materially affect TSSA's financial position. Settlement, if any, will be accounted for during the period of resolution.

(d) Service contracts:

Under the terms of a service contract, TSSA is required to carry certain insurance coverages for a ten-year period after the completion of services rendered under this contract.

4. COMMITMENTS AND CONTINGENCIES (continued):

(e) Letter of credit:

TSSA has a letter of credit for $500, outstanding as a term and condition of a contract, with a rate of 0.5%. The letter of credit was due on May 11, 2006 and was subsequently renewed until May 11, 2007.

5. INVESTED IN CAPITAL ASSETS:

Change in net assets invested in capital assets is calculated as follows:

	2006	2005
Deficiency of revenue over expenses:		
Amortization of capital assets	**$ (1,541)**	$ (1,346)
Loss on disposal of capital assets	**(16)**	(42)
	$ (1,557)	$ (1,388)

Net change in invested in capital assets is as follows:

	2006	2005
Acquisition of capital assets	**$ 553**	$ 4,045
Proceeds on disposal of capital assets	**(7)**	–
	$ 546	$ 4,045

6. PENSION PLAN:

TSSA has established a defined contribution pension plan for its employees. Contributions by TSSA on account of current service pension costs amounted to $997 (2005 - $970).

7. FINANCIAL INSTRUMENTS:

The carrying values of cash, short-term investments, accounts receivable and accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of the instruments.

The fair values of the long-term investments are based on quoted market values as disclosed in note 2.

8. INDEMNIFICATION OF DIRECTORS:

TSSA has indemnified its past, present and future directors against expenses (including legal expenses), judgments and any amount actually or reasonably incurred by them in connection with any action, suit or proceeding in which the directors are sued as a result of their service, if they acted honestly and in good faith with a view to the best interest of TSSA. The nature of the indemnity prevents TSSA from reasonably estimating the maximum exposure. TSSA has purchased directors' liability insurance with respect to this indemnification.

9. COMPARATIVE FIGURES:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

Corporate Information

TSSA'S BOARD OF DIRECTORS

1 **Maureen Shaw**
President and CEO, Industrial Accident Prevention Association (IAPA)

2 **Gary Hanson**
General Manager and COO, West Edmonton Mall

3 **Donald Aronson**
President, Aronson & Associates Inc.

4 **Allan Kupcis**
Past Chairman, Canadian Nuclear Association

5 **Elizabeth Dowdeswell**
President, Nuclear Waste Management Organization

6 **Robbie Shaw**
Managing Director, Development Project Nova Scotia Community College

7 **George Irwin**
Chairman and CEO, I-Toys Inc.

8 **Robert Theberge**
Public Affairs Advisor – Central Canada, Exxon Mobil

9 **Rudy Riedl**
President, R.G. Riedl Consulting Inc.

10 **Judith Wolfson**
President and CEO, Interac Association/Acxsys Corporation

11 **Kathy Milsom**
President and CEO, TSSA

12 **Peter Ridout**
Member, Consumers' Association of Canada

13 **Bruna Giacomazzi**
Past Chief Credit Officer, HSBC Bank Canada

14 **Moshe Wertheim**
Senior Vice President, Innovations & Engineering Services, Brookfield Properties Corporation

15 **Mary Shenstone**
Executive Lead, ABC Review Implementation Project, Ministry of Government Services

16 **Stuart Smith**
Chairman, Epic Realty Partners Inc.

17 **Brian R. Lackey**
Vice President, Operations and Chief Engineer, Greater Toronto Airports Authority

TSSA'S SENIOR MANAGEMENT TEAM

1 **Brenda Buchanan**
Vice President, Administration and Customer Services

2 **David Scriven**
Corporate Secretary

3 **Tim Brooks**
Controller

4 **Kathy Milsom**
President and CEO

5 **David Lisle**
Director, Public Relations and Communications

6 **John Slauenwhite**
Vice President, Business Development

7 **Tom Ayres**
Vice President and General Counsel

TSSA'S BOARD COMMITTEES (2005/2006)

Standing Committees
TSSA requires all directors to be a member of one of the three standing committees: Audit, Finance and Risk, Governance and Nomination, and Human Resources. The Governance and Nomination Committee has specific composition requirements to include the Board Chair, President and CEO, and a Minister appointed director. The President and CEO is a non-voting member of all committees.

Audit, Finance and Risk
The Audit, Finance and Risk Committee has leadership responsibility for monitoring the integrity of TSSA's internal controls and management information systems, approving the fiscal plan, and ensuring the integrity of the corporation's reported financial performance.

Bruna Giacomazzi, Chair
Allan Kupcis, Member
Maureen Shaw, Member
Stuart Smith, Member
Moshe Wertheim, Member
Kathy Milsom, Non-voting Member

Governance and Nomination
The Governance and Nomination Committee has leadership responsibility for strategic planning, monitoring external communications including public disclosures, and corporate governance policies.

George Irwin, Chair
Gary Hanson, Member
Rudy Riedl, Member
Mary Shenstone, Member
Judith Wolfson, Member
Kathy Milsom, Non-voting Member

Human Resources
The Human Resources Committee has leadership responsibility for monitoring and assessing the performance of the President and CEO, succession planning and key human resource policies of the corporation.

Elizabeth Dowdeswell, Chair
Donald Aronson, Member
Brian Lackey, Member
Peter Ridout, Member
Robbie Shaw, Member
Robert Theberge, Member
Kathy Milsom, Non-voting Member

TSSA STATUTORY APPOINTMENTS

The individuals listed below are designated as Director or Chief Officer for specific Regulations under Ontario's *Technical Standards and Safety Act, 2000*.

John W.B. Coulter, C.E.T., TECH C.E.I.
Chief Officer
Operating Engineers
Ontario Regulation 219/01

Roland Hadaller, P.Eng.
Director
Compressed Natural Gas
Ontario Regulation 214/01

Fuel Oil Regulation
Ontario Regulation 213/01

Gaseous Fuels
Ontario Regulation 212/01

Liquid Fuels
Ontario Regulation 217/01

Oil and Gas Pipeline Systems
Ontario Regulation 210/01

Propane Storage and Handling
Ontario Regulation 211/01

Fuel Industry Certificates
Ontario Regulation 215/01

Certification of Petroleum Equipment Mechanics
Ontario Regulation 216/01

Amusement Devices
Ontario Regulation 221/01

Certification and Training of Amusement Device Mechanics
Ontario Regulation 187/03

Elevating Devices
Ontario Regulation 209/01

Certification and Training of Elevating Device Mechanics
Ontario Regulation 222/01

Rick Mile, Director
Boilers and Pressure Vessels
Ontario Regulation 220/01

Dara Vorkapic, Director
Upholstered and Stuffed Articles
Ontario Regulation 218/01

INDUSTRY ADVISORY COUNCILS

TSSA is committed to meaningful, ongoing consultation with its stakeholders, and it benefits from the advice of 11 industry advisory councils. These councils and their chairs are listed below.

Denton Hoffman
Agriculture

Virginia Ludy
Amusement Devices

Glen Crawford
Boilers and Pressure Vessels

David Hahn
Consumers

Jack Elias
Elevating Devices

Bill Vale
Natural Gas

Donald C. Knibbs
Operating Engineers

Mark Nebel
Liquid Fuels

Martin Clough
Propane

Bruce Haynes
Ski Lift

Don Strain
Upholstered and Stuffed Articles

CONSUMERS ADVISORY COUNCIL

In particular, the Consumers Advisory Council provides input to TSSA concerning the public's perspective on safety associated with TSSA's business procedures and regulatory activities. During the fiscal year, this council focused on two main aspects of its mandate: facilitating and promoting a public safety education fund, and membership review.

TSSA's safety education fund, established in 1998, is derived primarily from two sources: administrative penalties imposed by TSSA, and by contributions, matched by TSSA, from Consumers Advisory Council members and others. The council has responsibility for oversight of the fund. In 2005, members of the council developed an initiative to use the fund to support scholarships for students

engaged in post-graduate research focused on improving and expanding the public safety knowledge base and ultimately benefiting TSSA's industry sectors. The Consumers Advisory Council is also working with TSSA to ensure sustainable funding for the fund in order to support both research and education/awareness initiatives.

Members continue to increase their involvement in TSSA related activities through attendance in advisory council chairs' meetings and enhancing their role as providers of consumer perspectives to the industrial advisory councils' deliberations.

Consumers Advisory Council (2005/2006)

David Hahn (Chair)
Patricia Jensen
Ian Kennedy
Edward Koen
Donna Russett
Larry Schwartz
Diana Teng
Elizabeth Vic
Kathryn Woodcock

CUSTOMER CONTACT AND ISSUE MANAGEMENT

TSSA is committed to delivering customer service excellence through the effective handling of customer contacts and issues management.

TSSA's enhanced approach includes:

- all levels of the organization;
- encouraging an organizational culture that welcomes feedback as an opportunity to improve services;
- empowering staff to resolve issues on the first contact; and
- conducting root-cause analysis on feedback to improve business processes, communication and service delivery.

TSSA is committed to providing timely response to all contacts.

On March 1st, 2006, TSSA celebrated the first anniversary of the launch of its Customer Contact Centre. During this year, TSSA enhanced its reporting of contacts, issues and complaints to provide more comprehensive details from that of past reporting. New tracking capabilities through the Fuels Safety Technical Services Desk enable TSSA to readily respond to enquiries, typically resolve issues on first contact and conduct root-cause analysis to improve business processes, communication and service delivery.

During fiscal year 2005/2006, the Customer Contact Centre and Technical Services Desk tracked a total of 86,699 and 10,474 contacts respectively, initiated by telephone, email and in person. Seventy-nine percent of all enquiries were related to accounts receivables, and licensing, registration and certification services. For the first time, TSSA has been able to more accurately track public enquiries. For fiscal year 2005/2006, six percent of enquiries received by both the Customer Contact Centre and Technical Services Desk were from members of the public, with the majority of those contacts coming in the fourth quarter (seasonal variation).

TSSA defines complaints as an expression of dissatisfaction with respect to services it provides, conduct of its staff or the complaint process itself. Based on this definition, TSSA tracked a total of 441 complaints during fiscal year 2005/2006 (equates to significantly less than one percent). It should be noted that the total includes cases where the customer may not have specifically identified their enquiry as a complaint; however, it was deemed to fall within the scope of TSSA's definition.

With this additional information, TSSA will continue to strive toward improving processes and service delivery as a way to increase customer satisfaction and improve safety outcomes in Ontario.

PAY POLICY

TSSA's compensation philosophy is to pay a competitive total compensation package in order to attract and retain exceptional resources in the industry, while remaining accountable to all stakeholders through transparent compensation practices that are fiscally prudent.

Based on yearly market data collected by an external consulting firm, creating a blend from the public and private sectors, TSSA's pay policy provides base compensation at the median of market comparators utilizing greater Toronto area comparators for all non-executive employees and national data for the executive group. Earned variable pay compensation targets are also established at the median of market.

Annual salary reviews are conducted and, at the discretion of the organization and within the overall budget approved by the Human Resources Committee of the Board, increases are administered on a merit basis with consideration to internal equity, external competitiveness (market data) and individual performance. Reinforcing a performance culture and providing compensation that is competitive and appropriate for the organization, eligible employees must meet basic performance criteria in order to be eligible for variable pay. Variable pay is awarded on exceeding key performance objectives.

BOARD REMUNERATION

Members of the Board of Directors are remunerated in a manner that enables the organization to attract high caliber directors to support the organization's commitment to corporate governance excellence, while remaining accountable to all stakeholders through transparent compensation practices that are fiscally prudent.

ENFORCEMENT ACTIVITY

TSSA has a progressive discipline enforcement policy. It applies a variety of enforcement options dependent on the nature of the violation and the past conduct of the offender.

TSSA continues to maintain a high level of compliance in the industries it regulates by targeting enforcement resources in conjunction with its risk management strategy.

Prosecutions are one high-profile enforcement activity used by TSSA. In 2005/2006, TSSA pursued 21 prosecutions. Legal orders are also utilized as an immediate enforcement tool.

Administrative monetary penalties provide an additional tool for obtaining compliance with TSSA's safety standards. TSSA has completed an administrative monetary penalties pilot project in the Fuels Safety Program and is planning to introduce it in the Amusement Devices Safety Program in response to industry needs. TSSA intends to further assess the impact of the administrative monetary penalties before implementing it for the Elevating Devices Safety Program.

FRENCH LANGUAGE SERVICES

Consistent with its *French Language Services Policy*, TSSA responded to all requests for French services during the year. TSSA continues to monitor requests for services in French to determine the appropriate level of service to meet public safety and customer service needs.

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